1	2	3	
13.	Bank of Nova Scotia	5.44	
14.	Barclays Bank	0.82	
15.	Dresdner Bank	0.01	
16.	ANZ Grindlays Banks	28.88	As on
17.	Bank of Tokyo		31.3.1996

(c) High priority is given to the work of collection/ reduction of arrear demand and appropriate administrative, legal and other measures are taken to recover the same. Request is made to the concerned appellate authorities for early disposal of cases. Wherever the recovery proceedings are stayed by the Courts, steps are initiated to get the stay vacated. Coercive measures are also taken in suitable cases for speedy recovery of demand. In bigger cases, the dossiers are maintained and the recovery position is reviewed regularly.

[Translation]

Jute Mills

*151. SHRI RAJESH RANJAN Alias PAPPU YADAV :
SHRI HANNAN MOLLAH :

Will the Minister of TEXTILES be pleased to state:

(a) whether many jute mills in the country, particular in Bihar and West Bengal are lying closed for a long time or are on the verge of closure;

(b) if so, the reason for their closure; and

(c) the steps being taken by the Govt to revive these mills?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) Out of 73 mills in the country the following three jute mills are lying closed for more than one year :

Name of the Jute mills	State	Date of closure	Average workers affected
1. Kanpur	U.P.	13.04.87	1040
2. Katihar	Bihar	24.12.87	1300
3. Tirupati	W.B.	25.06.95	1250

The total number of mills lying closed as on 15.7.96 is 17.

(b) Among the various factors contributing to the closure or sickness in jute units are lack of modernisation, imbalance in cost price structure, inadequate availability and high price of raw jute, stiff competition from cheaper synthetic substitute in packaging sector, etc.

(c) Government has set up BIFR to enquire into working of Sick Industrial Companies and to prepare and sanction, as appropriate schemes for their revival.

Under the Industrial Disputes Act, resolution of industrial disputes is handled by the State Government, who initiate conciliation proceedings with the management.

Meanwhile, adequate orders for B. Twill bags at cost plus prices have been ensured by the Central Government by advancing such purchases during current plan period, so as to sustain viability of mills to the extent possible

[English]

Bank Scam in Payment for Imports

*152. SHRI RAJIV PRATAP RUDY
SHRI BANWARI LAL PUROHIT

Will the Minister of FINANCE be pleased to state

(a) whether the attention of the Government has been drawn to a news item appearing in 'Hindustan Times' dated May 25, 1996 under the caption "$ 165m Bank Scam Unearthed";

(b) if so, the extent of Indian Foreign Exchange siphoned through fictitious accounts in foreign banks;

(c) whether the nationalised Indian banks colluded to facilitate illegal transfer of foreign exchange; and

(d) if so, the details thereof an the action taken by the Government thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) and (c) Investigations conducted by Enforcement Directorate have revealed that foreign exchange to the tune of approximately US $ 161 million (Rs. 546 crores approx.) was remitted abroad on the basis of forged/ bogus import documents through fictitious accounts. These remittances were facilitated on account of alleged collusion of bank employees in some cases and alleged ignorance of bank staff and their inability to detect the fake documents, in other cases.

(d) Four of the bank employees (including an ex-employee) were arrested by the Enforcement Directorate for their suspected involvement in the racket. Various aspects relating to import bills were examined by the Reserve Bank of India and a circular prescribing specific operating procedure to prevent recurrence of such fraudulent transactions has been issued to banks. The banks have also been advised to take appropriate action against officials found involved/suspected in these frauds